

INDIANAPOLIS DEPARTMENT OF WATERWORKS  
BOARD OF DIRECTORS

RESOLUTION NO. 15, 2005

SUPPORT OF VEOLIA WATER INDIANAPOLIS, LLC'S APPLICATION FOR A  
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY GRANT FOR  
WATERSHED RESEARCH

WHEREAS, on March 21, 2002, the Consolidated City of Indianapolis, Department of Waterworks (the "Department") and Veolia Water Indianapolis, LLC executed a public-private agreement (the "Management Agreement") for the management of the Indianapolis waterworks, which agreement has been affirmed and ratified by the Board of Directors of the Department (the "Board"); and

WHEREAS, VWI has identified a grant opportunity targeted to assist in the Department and VWI's watershed management initiative, an initiative aimed at improving water resource use and water quality on a holistic watershed management basis ("IW Watershed Initiative"); and

WHEREAS, the grant opportunity that benefits the IW Watershed Initiative requires the Department and VWI, in conjunction research institutions, such as the Central Indiana Water Resources Partnership ("CIWRP") with IUPUI and community groups across Central Indiana, to apply for an United States Environmental Protection Agency ("USEPA") Grant generally described on Exhibit A attached hereto and incorporated herein by reference in order to fund a two-year project to reduce nutrients, including phosphate concentration in three reservoirs used as a water source by the Department and the waters within the watersheds of the reservoirs ("Grant Application"); and

WHEREAS, the Board finds upon investigation that this Grant Application would be helpful in furthering important efforts to integrate water and source water protection programs to protect and restore aquatic resources and ecosystems; and

WHEREAS, the Board has determined that the Grant Application is appropriate and advisable

NOW, THEREFORE, BE IT RESOLVED by the Board that the Board hereby approves and supports the Grant Application.

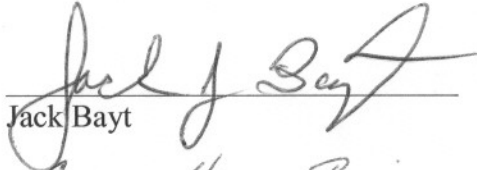
BE IT FURTHER RESOLVED by the Board that the Director of Contacts and Operations of the Department, the Office of Corporation Counsel and the City Controller's office are hereby authorized and directed: (i) to prepare, execute and deliver each and every additional document, certificate, instrument, agreement or affidavit contemplated by the Grant Application, including submission of the Grant Application to the USEPA; (ii) to take any and all such additional actions as may be necessary,

convenient or proper to cause the Department to perform its obligations under the Grant Application; and (iii) to take any and all such additional action as may be necessary, convenient or proper to effectuate the intent and purposes of these resolutions.

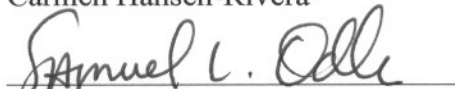
BE IT FURTHER RESOLVED by the Board that it ratifies any and all actions of the Director of Contracts and Operations, the Controller's Office and the Office of Corporation Counsel previously undertaken as may have been necessary, convenient or proper to effectuate the intent and purposes of these resolutions.

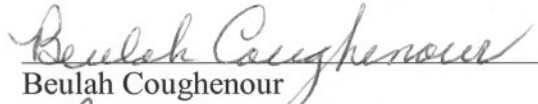
ADOPTED during a meeting of the Board this 24<sup>th</sup> day of March 2005.

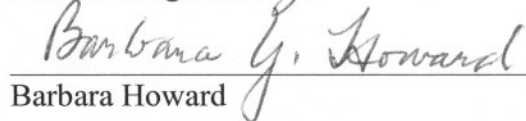
**CONSOLIDATED CITY OF INDIANAPOLIS,  
DEPARTMENT OF WATERWORKS,  
BOARD OF DIRECTORS**

  
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Jack Bayt

  
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Carmen Hansen-Rivera


  
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Samuel L. Odle

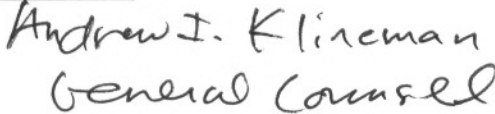
  
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Beulah Coughenour

  
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Barbara Howard

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Dan DeMars

Attest:

  
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S. Michael Hudson,  
Secretary-Treasurer

  
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Andrew I. Klineman  
General Counsel

Proposal for  
COMPREHENSIVE NUTRIENT REDUCTION PLAN FOR SHALLOW-WATER  
MIDWEST RESERVOIRS CRITICAL FOR DRINKING WATER SUPPLY

The Indianapolis Board of Waterworks in conjunction with Veolia Water Indianapolis, research institutions and community groups having an interest in the Central Indiana watershed, proposes to the United States Environmental Protection Agency ("USEPA") a major two-year project to reduce nutrients, particularly phosphate concentration, affecting three reservoirs and the watersheds that flow into these reservoirs. Phosphate levels must be reduced to inhibit blue-green algae growth. Blue-green algae is an organism that reduces water quality in Central Indiana reservoirs and retention ponds.

In 1972, Indiana General Assembly enacted a law that restricted phosphate use in household detergents. Now the threat is from phosphates in agriculture and suburban lawn fertilization runoff, municipal wastewater effluents and dissolved lake deposits. This proposed project expands the efforts started by Veolia Water Indianapolis in 2002 and would create a major research and watershed management initiative, the Central Indiana Water Resources Partnership. The proposal would involve significant community groups in the Central Indiana watersheds with a focus on water quality improvement.

This project would make Indiana a leader in shallow reservoir watershed research. The project would study the phosphate in sediments to prevent resolubilization and the resultant blue-green algae growth.

By targeting nutrient reduction that is accelerating algal growth and eutrophication in shallow-water, temperate zone drinking water reservoirs, this project has the potential to provide important near-term watershed applications for critical problems confronting the sustainability of the drinking water supply and reducing dependence on chemical treatments.

Focus of the proposal:

- Nutrient Reduction: Lawn Fertilization Phosphorus Reduction Campaign
- Effects of Land Practices on Agricultural Phosphorus Runoff
- Application of Aeration to Prevent Phosphate Resolubilization in Central Indiana Reservoirs
- Further Phosphorus Reduction for Publicly-owned Wastewater Treatment Plants

## **The EPA Targeted Watershed Initiative Grant Program**

The Targeted Watershed Grant Program is built on fundamental concepts of water resource use and water quality on a holistic watershed basis. The watershed approach focuses regional and State efforts to integrate water and source water protection programs to support locally-led collaborative efforts within hydrologically determined boundaries that protect and restore our aquatic resources and ecosystems.

### Brief Description of Grant Requirements

Scoring based on: Innovation, tangible solutions, broad support, outreach, and financial integrity. Other guidance:

- community-based approaches and activities to help local water resources;
- implementing agricultural and stormwater best management practices, and working with local municipalities and homeowners to promote sustainable practices and strategies;.
- working with local municipalities and homeowners to promote sustainable practices and strategies;
- most likely to achieve results quickly (implementation, 2-3yrs; results, 3-5years)
- \$18 million for 2005; \$8 million directly to the Chesapeake Bay watershed;
- grant awards from \$600,000 to \$900,000 with 25% non-federal match required